

## **Statement of Policy on Payment Systems Regulator (PSR) Panel Appointment Process**

This document outlines the intended approach for appointing members to the PSR Panel, in accordance with section 104I of the Financial Services (Banking Reform) Act 2013 ("the Act"). Publishing this statement reinforces the PSR's commitment to transparency about how it gains access to wide-ranging expertise for its panel, which will contribute to achieving its statutory objectives.

The PSR has consulted the Treasury about this statement and had regard to their representations, as required by section 104I(6) of the Act.

### **Objectives of the recruitment process**

Under the Act, the PSR must establish one or more panels of persons to represent participants in regulated payment systems and those who use, or are likely to use, services provided by regulated payment systems.

Information about the role and current membership of the PSR Panel is available on the PSR's website.

The aim of the PSR's recruitment process is to enable it to appoint the best available candidates who will enable the Panel to fulfil its statutory role and maximise the value of the Panel as a "critical friend" to the PSR; and to do so in a way that also seeks to recruit from as broad a pool of candidates as possible to achieve as diverse and inclusive a membership as possible.

The PSR takes into consideration a number of matters when determining Panel membership, including, but not limited to the following factors.

- The PSR aims to ensure that the membership broadly reflects the range of its different stakeholders and provides a balance of views across the range of both user and provider groups, and regularly considers the skills and perspectives needed to achieve this aim as the payments landscape evolves.
- A person who receives remuneration from the PSR, the Financial Conduct Authority (FCA), the Prudential Regulation Authority (PRA), the Bank of England (the Bank), or the Treasury is disqualified from being appointed as a member of a PSR Panel. This is set out in section 103(5A) of the Act. This disqualification does not apply if regulations made by the Treasury provide for it not to apply.

Panel members are appointed in an individual capacity and not as representatives of any organisation.

## **Appointments**

The PSR's approach to panel recruitment will differ depending on the likely candidate pool, with the aim of meeting the objectives outlined above in the most efficient and effective way. Wherever practicable, recruitment will be open for public competition. In addition to open advertisement, the PSR, Panel and/or secretariat may contact relevant people, organisations and/or networks to signpost them to the available opportunity. Consideration may be given to engaging an executive search firm. In certain cases where there is only a narrow range of suitable candidates, the PSR may contact key organisations inviting them to put forward candidates, or identify them from its own information.

Candidates should demonstrate an understanding of the role of the PSR and its objectives. They are expected to understand the viewpoint of the sector or perspective from which they are drawn, to articulate it clearly in discussions and in any written submissions, and be able to contribute constructively and fully from that perspective in Panel discussions to support and challenge the PSR's strategic thinking, as a 'critical friend' to the regulator. Panel members may receive confidential information from the PSR in their Panel roles, so are required to respect that confidentiality.

The PSR will review candidates for Panel membership and will usually interview a number of shortlisted candidates. The PSR will aim to identify, as early as possible, any actual, potential or perceived conflicts of interest that would arise if a candidate were appointed as a panel member. Where possible, mitigants will be considered in order to manage the potential conflict.

Once the most suitable candidate for the available opportunity has been identified, they will be recommended for approval by the PSR Board. The Treasury's approval will also be required for the appointment of the Panel Chair, in line with the Act.

The approach outlined above is expected to be used on most occasions, but the PSR may, by exception, and where permitted by legislation, adopt a different approach on occasion if it considers that is the best way to attract suitable candidates.

## **Reappointments**

Members are usually appointed for two- or three-year terms and will usually serve a maximum of two terms. If a member has only served one term, they may be considered for appointment for a second term, subject to approval by the PSR Board (and, for the Panel Chair, the Treasury), without an open recruitment process, based on the strength of their contribution as a Panel member. This would include consideration of their participation in panel discussions and their attendance at meetings.